

## Message Text

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ACTION IO-13

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EB/BOEKER; L/SCHWEBEL; TREASURY/CLAPP; COMMERCE/ARRILL

E.O. 11652: N/A  
TAGS: EINV, UN, AID  
SUBJECT: THIRD SESSION OF UN COMMISSION ON TRANSNATIONAL  
CORPORATIONS (UNTNC) - MEETINGS APRIL 25-27, 1977

REF: A: E/C.10/25, AND CORR.1; B: OPI/CESI NOTE 409;  
C: E/C.10/29; D: E/C.10/26

SUMMARY: UNTNC WHICH OPENED ITS THIRD SESSION ON APRIL 25  
DEVOTED FIRST THREE MEETING TO PROCEDURAL MATTERS, A REPORT  
BY EXECUTIVE DIRECTOR KLAUS SAHLGREN OF UN INFORMATION AND  
RESEARCH CENTRE ON TNC'S ON CENTRE'S ACTIVITIES OVER PAST YEAR,  
AND DISCUSSION OF AGENDA ITEM 6 ON TECHNICAL COOPERATION.  
DISCUSSIONS WERE SLOW-MOVING AND NON-POLEMICAL. END SUMMARY.

2. ADOPTION OF AGENDA AND ORGANIZATION OF WORK: COMMISSION  
ADOPTED 13-ITEM PROVISIONAL AGENDA (REF. A). FOLLOWING A  
REQUEST OF CHAIRMAN STEN NIKLASSON (SWEDEN) OF THE INTER-  
GOVERNMENTAL WORKING GROUP ON A CODE OF CONDUCT (IGWG), COM-  
MISSION AGREED TO ALLOW IGWG TIME FOR SIX ADDITIONAL MEETINGS  
TO COMPLETE CURRENT PHASE OF ITS WORK ON ANNOTATED OUTLINE  
FOR CODE TO BE CONSIDERED BY UNTNC AT LATER STAGE. HENCE,  
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UNTNC WILL MEET MORNINGS, WHILE IGWG WILL CONTINUE CODE WORK  
AFTERNOONS.

3. SECRETARIAT HEAVILY CRITICIZED BY UK, US, USSR AND  
SEVERAL LDCS FOR LATE DISTRIBUTION OF DOCUMENTS MAKING  
IT IMPOSSIBLE FOR HOME GOVERNMENTS TO REVIEW THEM PRIOR TO  
MEETINGS. OTHERS DEPLORED NON-AVAILABILITY OF TRANSLA-

TIONS OF SEVERAL IMPORTANT DOCUMENTS, INCLUDING SAHLGREN REPORT.

4. ELECTION OF OFFICERS: ABDELMADJID FASLA (ALGERIA) WAS ELECTED CHAIRMAN, EVGENI MATEEV (BULGARIA) AND PIETER SANDERS (NETHERLANDS) AS VICE-CHAIRMEN AND IVAN M. FIGUERERO (ARGENTINA) AS RAPPORTEUR. ELECTION OF THIRD VICE-CHAIRMAN DEFERRED TO TODAY APRIL 28 PENDING FURTHER CONSULTATIONS AMONG ASIANS.

5. TECHNICAL COOPERATION: DISCUSSION OF CENTRE'S TECHNICAL COOPERATION PROGRAM BASED ON SECRETARIAT PAPER (REF. C) COVERED FOUR CATEGORIES OF ASSISTANCE DESIGNED TO STRENGTHEN CAPACITY OF HOST COUNTRIES, ESPECIALLY DEVELOPING AND LEAST DEVELOPED NATIONS, IN THEIR DEALINGS WITH TNCs, I.E., ADVISORY SERVICES TO EXPLORE GOVERNMENTAL POLICY CHOICES AND OPTIONS, AND REVIEW LEGISLATION RELATING TO TNCs OR TO SPECIFIC SECTORS OR ISSUES; LIST OF INTERNATIONAL EXPERTS TO ADVISE HOST GOVERNMENTS ON TNC ISSUES; TRAINING WORKSHOPS AND SEMINARS FOR GOVERNMENTAL OFFICIALS; AND PROVISION OF SPECIFIC INFORMATION REQUESTED BY GOVERNMENTS. THERE WAS GENERAL RECOGNITION OF VALUABLE CONTRIBUTION CENTRE HAD MADE IN AREA OF TECHNICAL COOPERATION AND SEVERAL SUGGESTIONS WERE MADE CONCERNING ITS FUTURE WORK, INCLUDING (A) NEED FOR CLOSE WORKING RELATIONS BETWEEN CENTRE AND OTHER UN AGENCIES INTERESTED IN TNC ISSUES, E.G., UNDP, REGIONAL COMMISSIONS, TO AVOID DUPLICATION OF TRAINING EFFORTS AND SYSTEMS WITHIN THE UN. (B) ABSTENTION OF CENTRE FROM INVOLVEMENT IN DIRECT UNLIMITED OFFICIAL USE

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GOTIATIONS BETWEEN DEVELOPING COUNTRIES AND TNCs. NEED FOR CENTRE TO MAINTAIN NEUTRALITY AND INTEGRITY VIS-A-VIS PARTIES INVOLVED (US, UK, GERMANY AND CANADA). INAPPROPRIATENESS FOR UN OR ITS PERSONNEL TO PLAY ACTIVE ROLE IN SPECIFIC NEGOTIATIONS UNLESS FUNDED BY PARTY CONCERNED (UK). (C) GREATER SPECIFICITY OF SECRETARIAT REPORT AS TO NATURE OF GOVERNMENT REQUESTS FOR TECHNICAL ASSISTANCE AND RESULTS OF SUCH ASSISTANCE. (D) ROSTER OF INTERNATIONAL EXPERTS: CENTRE AGREED TO SEND OUT FORMAL REQUEST TO MEMBER GOVERNMENTS FOR SUBMISSION OF NAMES AND DETAILED QUALIFICATIONS OF EXPERTS IN VARIETY OF SPECIAL TNC-RELATED FIELDS FOR INCLUSION IN CENTRE'S LIST WHICH WILL BE AVAILABLE TO LDC GOVERNMENTS. GENERAL AGREEMENT WAS THAT EXPERTS BE SELECTED ON BASIS OF MERIT FROM WIDE GEOGRAPHIC AREA INCLUDING, TO THE MAXIMUM EXTENT POSSIBLE, FROM LDCs WHICH ACCORDING TO SOME G-77 DELEGATES (INDIA, ALGERIA, KENYA) ARE MORE ATTUNED TO PROBLEMS FACING DEVELOPING COUNTRIES AND THEREFORE MORE SENSITIVE TO LDC NEEDS. USSR AND YUGOSLAVIA CALLED FOR INCLUSION OF EXPERTS FROM SOCIALIST NATIONS.

CENTRE WAS ASKED TO MAKE AVAILABLE TO ALL MEMBER GOVERNMENTS DETAILS OF REQUESTS FOR ASSISTANCE. (E) NEED FOR CENTRE TO OBSERVE CONFIDENTIALITY REQUIREMENTS WHEN SHARING COMPANY DATA WAS STRESSED (US, UK, GERMANY). (F) ARGENTINA, SUPPORTED BY THE LDCS, STRESSED NEED FOR INFORMAL ROUND-TABLE DISCUSSIONS TO TECHNICAL ASSISTANCE PROBLEMS, POSSIBLY AS PART OF IGWG MEETINGS. (G) NEED FOR CENTRE TO ESTABLISH PRIORITY AMONG TASKS IN LIGHT OF CENTRE'S LIMITED RESOURCES (US, UK). SAHLGREN CALLED FOR MORE VOLUNTARY CONTRIBUTIONS, ESPECIALLY BY DEVELOPED COUNTRIES, TO FINANCE CENTRE'S FUTURE TRAINING SERVICES WHICH PRESENTLY ARE FUNDED BY UNDP, REGIONAL DEVELOPMENT GROUPS, AND VOLUNTARY CONTRIBUTIONS BY NETHERLANDS AND NORWAY.

6. COMMISSION AGREED THAT IT IS TOO EARLY TO EVALUATE SERVICES RENDERED BY CENTRE. SECRETARIAT WILL SUBMIT LIMITED OFFICIAL USE

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FULL REPORT TO FOURTH UNTNC SESSION.

7. GROUP OF PROFOUND PERSONS WAS ASKED TO COMMENT ON CERTAIN ASPECTS OF TECHNICAL ASSISTANCE PROGRAMS AND THEIR COMMENTS WERE CONSTRUCTIVE AND GENERALLY WELL-RECEIVED BY DELEGATES EXCEPT BY USSR DELEGATE WHO TOOK POSITION QUESTIONS AND RESPONSES WERE TOO POLITICAL AND SHOULD STICK TO AREAS OF TECHNICAL EXPERTISE. SAMUEL PAUL, INDIAN PROFOUND PERSON, MADE POINT IN SUPPORT OF EARLIER US DEL INTERVENTION, THAT CENTRE'S TECHNICAL ASSISTANCE PROGRAM SHOULD BE DESIGNED TO FADE-OUT AS INDIGENOUS CAPACITY TO CARRY OUT SUCH PROGRAMS IS CREATED IN HOST COUNTRIES.

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8. COMMITTEE WILL CONTINUE ITS DELIBERATIONS ON APRIL 28 WITH DISCUSSION OF EFFECTS OF OPERATIONS AND EFFECTS OF TNCS. CENTRE HAS PREPARED STUDY OF ACTIVITIES OF TNCS IN SOUTHERN AFRICA (REF. D).

9. IN RESPONSE TO DISCUSSION RE TECHNICAL COOPERATION SAHLGREN SHOWED SENSITIVITY TO SUGGESTIONS OF IMPROPRIETY IN CENTRE ROLE IN REVIEWING SPECIFIC CONTRACTS OR ARRANGEMENTS BETWEEN TNCS AND GOVERNMENTS. ARGUED THAT UNDP HAD ESTABLISHED PRECEDENT OF DIRECT REVIEW OF PROPOSED CONTRACTS AND ADVICES AS TO TERMS, AND THAT THIS WAS NOT DIRECT INVOLVEMENT IN NEGOTIATIONS. U.S. RESPONDED THAT WE FAVORED STRENGTHENING NEGOTIATING CAPACITY OF LDCS, SINCE BARGAIN BETWEEN EQUALS IMPLIED STABILITY. HOWEVER, WE POINTED OUT THAT MANY LDCS HAVE GREAT EXPERTISE (WHICH IS UNDERLINED BY INDIAN SUGGESTION THAT LDC EXPERTS BE USED), THAT ULTIMATE OBJECTIVE WOULD BE TO DEVELOP AN INDIGENOUS LDC CAPACITY, AND THAT LINE BETWEEN ADVICE ON SPECIFIC CONTRACT TERMS UNDER NEGOTIATIONS AND "PARTICIPATION" IN NEGOTIATIONS WAS THIN.

10. COMMENT: THE QUESTION OF THE APPROPRIATE ROLE OF LIMITED OFFICIAL USE

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CENTRE PERSONNEL IN "STRENGTHENING THE CAPACITY OF DEVELOPING COUNTRIES" (E.G. INVOLVEMENT IN NEGOTIATIONS, CONTRACT REVIEWS, STUDIES, ETC) WAS NOT RESOLVED AND WILL CONTINUE TO PLAGUE US. THE G-77 AND CENTRE STAFF FROM DEVELOPING COUNTRIES WANT ACTIVE AND DIRECT INVOLVEMENT, AND IF ANYTHING ARE DISAPPOINTED BY CENTRE'S PERFORMANCE UP TO NOW. SAHLGREN HIMSELF UNDERSTANDS OUR CONCERNS (THOUGH NOT ENTIRELY AGREEING) BUT IS EXTREMELY PRICKLY ABOUT INSINUATIONS OF IMPROPRIETY. IT IS DOUBTFUL THAT THE COMMISSION COULD REACH A CONSENSUS ON THIS ISSUE-- AND A VOTE WOULD PROBABLY GO AGAINST US. HAVING MADE OUR POINT FOR THE RECORD, THE MATTER IS PROBABLY BEST PURSUED IN INFORMAL CONSULTATIONS WITH SAHLGREN.

11. WORK ON ANNOTATED OUTLINE OF CODE OF CONDUCT CONTINUING WITH LITTLE PROGRESS MADE TO NOW IN RECONCILING DIFFERING VIEWPOINTS G-77 OF INDUSTRIAL NATIONS. CONFLICT REMINISCENT OF "AREAS OF CONCERN" DEBATE IN FIRST SESSION,

THOUGH MANY DELEGATES ON ALL SIDES SPEAK OF PRESENT LESS  
CONFRONTATIONAL ATTITUDE.  
YOUNG

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## Message Attributes

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